

Wrentham Community Preservation Committee
Wednesday July 26, 2017 7:00pm
Meeting Minutes
Wrentham Senior Center

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Members Attending: Chairman Barry Kassler (Open Space), Vice Chairman Mark Cuddy (Recreation), Leo Immonen (Conservation), Clerk Robin McDonald (At-Large), Alex Leonard (Historical), Chuck Woodhams (Planning), Steve Langley (Selectmen) and Scott Manchuso (At-Large); Carol Mollica (Housing) (at 8:00).

Members Absent: none

Others Attending: Stuart Saginor, Cheri Leonard

7:05 pm – The Community Preservation Committee (CPC) meeting was called to order by the Chairman.

The Chairman introduced Stuart Saginor, Executive Director of the Massachusetts Community Preservation Coalition, to the Committee. Mr. Saginor began the training session by sharing information about the Community Preservation Coalition. Mr. Saginor noted that Wrentham could consider joining the coalition (it's voluntary, but almost all CPA communities belong); dues are assessed to members of the coalition based on the size of the local surcharge receipts. It's anticipated that dues for Wrentham would be \$875 per year, which can be paid as CPA administrative expenses. Mr. Saginor noted that the coalition has a website and a number of resources for committee use. Mr. Saginor will make his full PowerPoint training presentation available via Dropbox.

Of Note for Wrentham:

- Wrentham will be eligible for its first state matching funds in Quarter 1 fiscal year 2018
- Matching funds are based on the amount of local surcharge receipts, the available pool of funds, and the number of other communities eligible for matching funds. The current rough estimate for fiscal year 2018 match is about 12% of what is raised locally, but would be higher if the state raises the deeds excise tax, which has been approved by the Senate.

First Year Chart of Work to include:

- Set a CPA budget and present to Town Meeting
- Fiscal oversight and monitoring systems should be discussed and agreed on with municipal finance officials
- Committee needs to create the process for application for CPA funds
- Hold public hearing on local Community Preservation needs (annual requirement; requires posting in two successive newspaper ads)

Create a Community Preservation Plan:

- In addition to the public hearing, assess community preservation needs of Wrentham by reviewing existing planning documents such as Master Plan, Open Space Plan, housing plan, etc.
- Meet with other local committees, or have their representatives to the CPC communicate their input

- Prepare Community Preservation Plan. The Plan is written by the CPC, and does not require other community level approval. Mr. Saginor noted that a consultant is often hired to work with the committee in creating the plan. Also, other communities' plans are available online for review. (Once complete, the plan should be refreshed annually.)
- There is no deadline for the creation of the plan. Some communities have initiated CP projects prior to completing a plan.

Ongoing Requirements/Work

- CPC must prepare an annual budget for presentation to Town Meeting
- CPC cannot spend non-administrative funds; it can only recommend projects to Town Meeting
- Town Meeting can only approve CPA funding recommended by the CPC
- File annual report of new projects and existing project status updates with MA DOR

Preparation of CPA budget:

- The CPA budget is often presented at the same time as the Town budget, but does not need to be
- The CPA budget must be approved before the tax rate is set. If this is not done, CPA funds will not be available in that Fiscal Year.
- Budget must be included as a Town Meeting warrant article and approved by Town Meeting
- CPA revenue estimate for FY 2018 is about \$242,000 (just local CPA receipts). In future years, the revenue will also include the additional state match.

Mr. Saginor reminded committee members that 10% of CPA revenue must be spent or set aside each year for each of the following project categories: Open Space and Recreation, Historic, and Housing; and up to 5% may be set aside for an administrative budget. The remainder of the funds (65%) is flexible. Examples of how the 5% administrative funds can be spent include consultants, administrative support, meeting mins, coalition dues, etc.

CPA budget for fiscal year 2018 for Wrentham estimated revenue of \$242,000 (if more is collected it will roll over to the next fiscal year into a "budgeted reserve").

10%, or \$24,000 each, set aside for Historic, Open Space/Recreation, and Housing, totaling \$72,000

5% administrative expenses, or \$12,000

This leaves \$158,000 for other use, which goes into the "budgeted reserve". To avoid the possibility of overspending, some committees will be conservative and will put a slightly lower amount than the estimate into the budgeted reserve. In this example maybe put only \$150,000 into the budgeted reserve. Each community has at least five accounts for CPA: the three required use categories, the administrative budget, and a general "undesignated" CPA fund balance account. Additional funds collected above the estimates along with any unspent administrative funds get rolled over each year into the CPA general fund balance.

A question was asked if citizens may contribute to CPA. Yes, this is allowed, whether it is a boosters group or others who may provide funds in excess of what is available from CPA for the project. Typically, such gifts are restricted to use for a particular project.

For 2017, the budget for FY 2018 will be prepared and presented to Town Meeting in November. Thereafter, the budget may be prepared and presented in June.

A potential alternative approach would be to create a pro-forma general budget to be presented to Town Meeting in June, with a list of recommended expenditures to be presented in November after proposed projects have been reviewed by the committee.

Mr. Saginor clarified that the 5% administrative fees are for CPC committee administrative expenses only, not for municipal departments to charge or assess administrative costs (an exception being computer software purchased to add the CPA surcharge to property tax billing).

Sample common uses of administrative budget:

- Administrative support for preparation of minutes
- Project due diligence (such as appraisals and surveys)
- Consultants, legal help, studies
- Newspaper ads for hearings

Borrowing permitted by CPA:

- Communities can borrow against estimated future CPA receipts (bonded)
- Can only bond against local surcharge revenue, not against state match
- Two-thirds vote needed to pass bonded projects at Town Meeting
- Cannot pay debt service on non-CPA bonds

Some communities have bonded all major capital renovations, acquisitions and land purchases. One reason a community might do that is to spread the project cost over multiple years using future collections. This spreads the expense over time so that both current and future residents who will benefit from the project bear the expense. This strategy also leaves more funds available for other projects.

Mr. Saginor reminded the committee that CPA fund utilization is a ground-up process. Any person or group in the community can present an idea to the CPC for use that they believe will improve quality of life. The law only states that projects must come from CPC recommendations to Town Meeting, but does not limit who can present projects to the committee.

Mr. Saginor handed out a chart that provides clarification and guidance on the allowable spending purposes for CPA funds. (see attached)

Question was posed about what happens if a CPC and Town Meeting approve a project that is not within the allowable spending purposes. The project can go forward unless contested in court.

Basic tenets of CPA spending:

- No supplanting general municipal revenue
- No maintenance or operating expenses
- Recreation funds are for outdoor projects only
- Asset purchases must file a permanent restriction with the state, held by a third party
- Projects may not be voted on by Town Meeting unless CPC has first issued a positive recommendation

- Town departments can apply for funding to CPC
- It's appropriate for CPC members to present projects to CPC

Mr. Saginor distributed a flow chart to clarify the use of CPA funds for Historic Preservation projects.
(See attached)

Project recommendations to Town Meeting should include the amount in dollars and funding source
(i.e., which CPA account)

Should include name or board/commission or party that is carrying out project (who is in charge of
project)

Should include details of the project

Should include the CPA verbs that justify project

CPC can include specific conditions

Legislative Body (Town Meeting) can

Approve recommendations of CPC

Reject recommendations of CPC

Reduce the amount recommended by CPC

Reserve amount recommended by CPC to applicable reserve account, rather than approving the
project (rarely used).

Question was asked if there are resources with examples of other grant funds that might be leveraged
with CPA funds. Suggested to go to Historic Projects Preservation of Mass website and to Executive
Office of Energy and Environmental Affairs (EEOEA) webpage. Mr. Saginor referenced the technical
assistance section of the Community Preservation Coalition website as a resource for answering
questions that come up.

Motion to adjourn by Leo Immonen seconded by Mark Cuddy voted unanimous at 9:25pm.

Respectfully Submitted

Robin McDonald
Clerk

Attachments:

1. Community Preservation Fund Allowable Spending Purposes chart
2. Qualifying Historic Projects for CPA Funding flow chart